



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

October 21, 1982

Mr. C. E. Baker
Energy Fuels Nuclear, Inc.
Suite 900, 3 Park Central
1515 Arapahow
Denver, Colorado 80202

RE: Hillside Complex
ACT/037/015
San Juan County, Utah

Dear Mr. Baker:

I have reviewed the information which you have sent me concerning the transfer of ownership of the Hillside Complex. I have also had the Division's Special Assistant to the Attorney General look at its legal standing. There are several questions and comments which I feel you ought to be aware of and perhaps respond to once again.

1. The letter is not signed and does not make mention of either parties liability or acknowledgment for reclamation responsibility.
2. There is no evidence that the letter was received by Monticello Minerals.
3. There has been no compliance by Monticello Minerals and Mining Company with the 40-8-19 statutory provision of the Mined Land Reclamation Act which states:

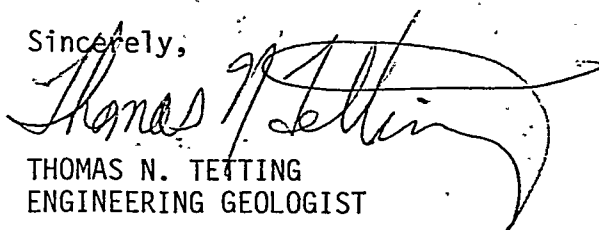
"Whenever an operator succeeds to the interest of another operator who holds an approved notice of intention or revision covering a mining operation, by sale, assignment, lease or other means, the Division may release the first operator from his responsibilities under his approved notice of intention, including surety, provided the successor assumes all of the duties of the former operator, to the satisfaction of the Division, under this approved notice of intention, including its then approved reclamation plan and the posting of surety. Upon the satisfactory assumption of such responsibilities by the successor operator, under the conditions approved by the Division, the approved notice of intention shall be transferred to the successor operator."

Mr. C.E. Baker
October 21, 1982
Page Two

Therefore, simply put, unless additional information can be furnished by either parties involved Energy Fuels Nuclear is still held responsible for reclamation. I am sending a copy of this letter to Mr. Ralph Herrmann of Monticello Minerals and Mining Co., Inc. I suggest that you arrange further substantiation of the transfer and that compliance with the above referenced statute be maintained.

Please contact me at your earliest convenience if you wish to discuss further the aspect of responsibility. I would also like to convey certain Division concerns about temporary stabilization of the waste rock piles at the Hillside Complex.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas N. Tetting", with a large, sweeping flourish extending from the end of the name.

THOMAS N. TETTING
ENGINEERING GEOLOGIST

TNT/mn

cc: Jim Smith
Ralph Herrmann